

STEVEN S. ALM
United States Attorney
District of Hawaii

ELLIOT ENOKI
First Assistant U.S. Attorney

LAWRENCE L. TONG
Assistant U.S. Attorney
Room 6100, PJKK Federal Building
300 Ala Moana Blvd., Box 50183
Honolulu, Hawaii 96850
Telephone: (808) 541-2850

Attorneys for Plaintiff
UNITED STATES OF AMERICA

FILED IN THE
UNITED STATES DISTRICT COURT
DISTRICT OF HAWAII

MAR 29 2001
at 11 o'clock and 04 min. AM
WALTER A.Y.H. CHINN, CLERK

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF HAWAII

UNITED STATES OF AMERICA,)	CR. CR01-00112	
)		
Plaintiff,)	INDICTMENT	SOM
)		
vs.)	Health Care Fraud	
)	[18 U.S.C. § 1347]	
ABIGAIL Q. PAULINO,)		
)		
Defendant.)		
_____)		

INDICTMENT

COUNTS 1-17

The Grand Jury charges:

Introduction

At all times material to this indictment:

1. Tri-Star Health Care, Inc. was a company which provided chiropractic care to patients. Tri-Star Health Care's patients included persons who were entitled to health benefits under their no-fault insurance policies as a result of injuries sustained in motor vehicle accidents. Tri-Star Health Care

typically billed their patients' insurers for the treatment, and the insurers would make payments to Tri-Star Health Care.

2. From April 1996 to May 1999, ABIGAIL Q. PAULINO, the defendant, worked for Tri-Star Health Care, and was responsible for handling collections from insurance companies.

The Scheme and Artifice to Defraud

3. Beginning on or about April 25, 1997, and continuing through on or about May 28, 1999, in the District of Hawaii, ABIGAIL Q. PAULINO did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud Tri-Star Health Care, a health care benefit program, and to obtain money and property owned by, and under the custody and control of such health care benefit program, in connection with the delivery of and payment of health care benefits, items and services, by means of false and fraudulent pretenses and representations, all as more fully set forth below.

4. ABIGAIL Q. PAULINO diverted checks from insurance companies to Tri-Star Health Care to her own use. PAULINO's duties included handling payments from insurers for chiropractic care provided to patients. PAULINO was required to log in checks, prepare deposit slips, rubber stamp endorsements, and deposit the checks into Tri-Star Health Care's account at the Bank of Hawaii. PAULINO took checks made payable to Tri-Star Health Care, forged the signature of the company's owner, and made the checks payable to herself. PAULINO then deposited the checks into her own account at Hawaii Pacific Federal Credit

Union, making it appear as if they had been validly endorsed over to her, when in fact she knew they had been forged.

5. By virtue of the foregoing conduct, all of which was done without the consent or knowledge of the owner of Tri-Star Health Care, PAULINO obtained approximately \$86,967.94 in money and credits belonging to, and under the care, custody and control of, Tri-Star Health Care.

6. On or about the dates set forth below, in the District of Hawaii, ABIGAIL Q. PAULINO did knowingly execute, and attempt to execute, the aforesaid scheme and artifice to defraud Tri-Star Health Care by presenting the following checks to Hawaii Pacific Federal Credit Union for deposit to her account, with each such deposit constituting a separate count of this indictment:

<u>COUNT</u>	<u>DATE OF DEPOSIT</u>	<u>ITEM DEPOSITED</u>
1	6/30/97	June 25, 1997 check from State Farm to Tri-Star Health Care in the amount of \$1,017.54
2	9/26/97	September 18, 1997 check from Allstate to Tri-Star Health Care in the amount of \$1,039.26
3	9/30/97	September 23, 1997 check from State Farm to Tri-Star Health Care in the amount of \$1,421.18
4	1/22/98	January 20, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,449.29
5	1/28/98	January 21, 1998 check from Island Insurance to Tri-Star Health Care in the amount of \$1,003.75

<u>COUNT</u>	<u>DATE OF DEPOSIT</u>	<u>ITEM DEPOSITED</u>
6	2/26/98	February 20, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,083.34
7	5/7/98	April 28, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,117.15
8	6/5/98	May 26, 1998 check from Island Insurance to Tri-Star Health Care in the amount of \$1,007.49
9	7/23/98	July 17, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,369.32
10	11/5/98	November 2, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,418.06
11	11/5/98	November 2, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,072.07
12	11/20/98	November 11, 1998 check from State Farm to Tri-Star Health Care in the amount of \$1,003.04
13	2/1/99	January 29, 1999 check from State Farm to Tri-Star Health Care in the amount of \$1,850.88
14	2/3/99	January 28, 1999 check from Liberty Mutual to Tri-Star Health Care in the amount of \$1,053.36
15	2/3/99	February 1, 1999 check from State Farm to Tri-Star Health Care in the amount of \$1,029.74
16	2/9/99	February 5, 1999 check from Island Insurance to Tri-Star Health Care in the amount of \$1,156.00
17	5/14/99	April 22, 1999 check from DTRIC to Tri-Star Health Care in the amount of \$1,521.96

All in violation of Title 18, United States Code, section 1347.

COUNTS 18-42

The Grand Jury further charges:

Introduction

At all times material to this indictment:

1. Physicians Administrative Services (PAS) was a company which performed billing and collection services for a Hawaii medical group and its physician members. PAS would generate bills on behalf of the group and its physicians, collect on the bills, and post and deposit payments into the account of the group and its physicians.

2. From May 1999 through December 1999, ABIGAIL Q. PAULINO, the defendant, worked for PAS and was responsible for providing the foregoing billing and collection services.

The Scheme and Artifice to Defraud

3. Beginning on or about June 15, 1999, and continuing through on or about December 21, 1999, in the District of Hawaii, ABIGAIL Q. PAULINO did knowingly and willfully execute, and attempt to execute, a scheme and artifice to defraud health care benefit programs, namely PAS and its clients, as well as health care insurers, and to obtain money and property owned by, and under the custody and control of such health care benefit programs, in connection with the delivery of and payment of health care benefits, items and services, by means of false and

fraudulent pretenses and representations, all as more fully set forth below.

4. ABIGAIL Q. PAULINO diverted checks from health care insurers made payable to clients of PAS to her own use. PAULINO's duties included handling payments from insurers to PAS's clients. PAULINO was required to log in checks, prepare deposit slips, rubber stamp endorsements, and deposit the checks into the accounts of PAS's clients. PAULINO took checks made payable to physicians and a medical group which retained PAS, and either forged the signature of the payees or used a rubber stamp endorsement provided by such payees. PAULINO then made the checks payable to herself, and deposited them into her own account at Hawaii Pacific Federal Credit Union. PAULINO thereby made it appear as if the checks had been validly endorsed over to her, when in fact she knew they had been forged and misappropriated without the consent of the payees.

5. By virtue of the foregoing conduct, PAULINO obtained approximately \$61,303.32 in money and credits belonging to, and under the care, custody and control of PAS, its clients, and the health care insurers making the payments.

6. On or about the dates set forth below, in the District of Hawaii, ABIGAIL Q. PAULINO did knowingly execute, and attempt to execute, the aforesaid scheme and artifice to defraud Physician Administrative Services, its clients, and health care insurers by depositing the following checks to her own account at

Hawaii Pacific Federal Credit Union, with each such deposit constituting a separate count of this indictment:

<u>COUNT</u>	<u>DATE OF DEPOSIT</u>	<u>ITEM DEPOSITED</u>
18	6/25/99	June 15, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$3,346.37
19	7/16/99	June 17, 1999 check from Kaiser Permanente to Demetria Leong, M.D. in the amount of \$1,329.08
20	7/20/99	July 6, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$1,786.65
21	8/13/99	August 6, 1999 check from State of Hawaii Medicaid program to Demetria Leong, M.D. in the amount of \$545.38
22	8/25/99	August 13, 1999 check from State of Hawaii Medicaid program to Demetria Leong in the amount of \$106.33
23	9/3/99	August 17, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$1,203.88
24	9/15/99	September 3, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$2,528.64
25	10/1/99	September 15, 1999 check from Royal State to Demetria Leong, M.D. in the amount of \$1,111.60
26	10/20/99	October 12, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$2,172.96
27	11/1/99	September 24, 1999 check from United of Omaha to Russell Hirata in the amount of \$2,000.46
28	11/9/99	October 14, 1999 check from HMAA to Gary Cabot, M.D. in the amount of \$1,256.71

<u>COUNT</u>	<u>DATE OF DEPOSIT</u>	<u>ITEM DEPOSITED</u>
29	11/26/99	October 14, 1999 check from Geico to Stephen Chew, M.D. in the amount of \$2,656.24
30	11/26/99	September 21, 1999 check from HMSA to Derrick Dang, M.D. in the amount of \$2,387.67
31	11/26/99	September 14, 1999 check from HMSA to Derrick Dang, M.D. in the amount of \$3,185.20
32	12/10/99	check from Physicians Health to Derrick Dang, M.D. in the amount of \$1,078.00
33	12/10/99	November 19, 1999 check from HMSA to Stephen Chew, M.D. in the amount of \$1,861.94
34	12/10/99	November 12, 1999 check from HMSA to Stephen Chew, M.D. in the amount of \$1,797.24
35	12/10/99	October 21, 1999 check from Crum & Forster to Stephen Chew, M.D. in the amount of \$1,145.84
36	12/10/99	October 29, 1999 check from HMSA to Stephen Chew, M.D. in the amount of \$1,040.90
37	12/17/99	November 9, 1999 check from Medicare to Medical Anesthesia in the amount of \$3,756.20
38	12/17/99	November 23, 1999 check from HMSA to Medical Anesthesia in the amount of \$3,181.70
39	12/17/99	November 23, 1999 check from University Health to Medical Anesthesia in the amount of \$2,707.44
40	12/21/99	November 9, 1999 check from Medicare to Demetria Leong, M.D. in the amount of \$1,585.25

<u>COUNT</u>	<u>DATE OF DEPOSIT</u>	<u>ITEM DEPOSITED</u>
41	12/21/99	October 1, 1999 check from Aetna Life Insurance to Stephen Chew, M.D. in the amount of \$1,022.94
42	12/21/99	December 7, 1999 check from Medicare to Derrick Dang, M.D. in the amount of \$2,562.30

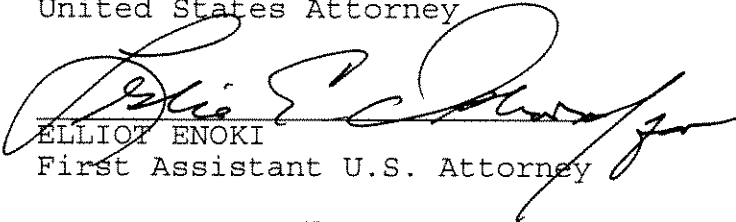
All in violation of Title 18, United States Code,
section 1347.

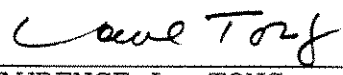
DATED: March 29, 2001, at Honolulu, Hawaii.

A TRUE BILL

161
FOREPERSON, Grand Jury U


STEVEN S. ALM
United States Attorney


ELLIOT ENOKI
First Assistant U.S. Attorney


LAWRENCE L. TONG
Assistant U.S. Attorney

United States v. Abigail Q. Paulino,
Cr. No. _____
"Indictment"